



Subject: Highlights of the 71st meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: Ken Spencer Room, AUASB offices
Level 7, 600 Bourke St, Melbourne
Meeting Date: 9 September 2014

1. Assurance on Controls

The AUASB considered a summary of the submissions received on exposure draft ED 01/14 of proposed standard on controls ASAE 34XX. The AUASB agreed that the operative date be amended to engagements commencing 1 January 2016. The detailed comments received and proposed disposition along with amendments to the proposed standard will be brought to the 21 October 2014 AUASB meeting.

2. GS 004 Audit Implications of Prudential Reporting Requirements for General Insurers

The AUASB considered the matter raised by APRA in relation to the Auditor's Report on the General Insurer's Statutory Accounts as currently included in Appendix 1 to GS 004. The AUASB agreed not amend and reissue GS 004 with APRA's revised General Insurer's Auditor Report at this time. However, the AUASB agreed that an alert should be issued to communicate APRA's changes to general insurance auditors and to liaise further with APRA.

3. GS 017 Auditing Prudential Requirements of Life Companies

The AUASB approved the project plan to revise GS 017 *Audit Implications for Prudential Reporting Requirements of a Life Company*.

4. ASIC Presentation

Mr Doug Niven, Senior Executive Leader, presented an overview of the ASIC Audit Update and related developments including ASIC's audit activities and issues emanating from past inspection findings as well as ways to improve audit quality.

5. GS 005 Using the Work of a Management's Expert

The AUASB approved the project plan to revise GS 005 *Using the Work of a Management's Expert*. The revision of GS 005 is proposed to broaden the scope of the existing GS 005 *Using the Work of an Actuary* to provide guidance on the use of management's experts more generally.

6. Using the Work of Internal Audit

The AUASB discussed the issue of the prohibition of direct assistance of internal auditors for engagements conducted in accordance with Australian Auditing Standards for group audit engagements. The AUASB agreed to develop and issue a Bulletin discussing the issues auditors need to consider around reliance on internal auditors in jurisdictions where there is no prohibition on the use of direct assistance.



7. Contract, Regulatory and Grant Acquittal Compliance Engagements

The AUASB received an update on the project and feedback from the first Project Advisory Group meeting. A draft guidance statement will be brought for consideration to the 21 October 2014 meeting.

8. International Matters

- (a) The AUASB considered the proposed AUASB submission on the IAASB ED *Proposed Changes to the International Auditing Standards (ISAs) - Addressing Disclosures in the Audit of Financial Statements*. It was agreed to make some further amendments prior to finalisation of the submission.
- (b) The AUASB considered the key papers, largely around auditor reporting, which will be the major focus of the next IAASB meeting to be held 15-19 September 2014 in New York.
- (c) Trans-Tasman harmonisation:
The AUASB noted the final versions of the revised principles of convergence and the communications protocols to be issued by the AUASB and NZAuASB.

The next meeting of the AUASB will be held on Tuesday, 21 October 2014 commencing at 10.00 a.m.

at Level 7, 600 Bourke Street, Melbourne

The meeting will be open to the public